

**Illinois Department of Revenue  
Regulations**

<b>Title 86 Part 660 Section 660.30 Exempt Sales</b>
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**TITLE 86: REVENUE  
PART 660  
TOBACCO PRODUCTS TAX ACT OF 1995**

**Section 660.30 Exempt Sales**

- a) Sales of tobacco products by distributors or wholesalers who will not sell the product to a retailer or consumer are exempt from the tax imposed by this Act. For example, sales by a distributor to another distributor as sales for resale are exempt from the tax imposed by this Act. Sales of tobacco products to retailers or consumers are not exempt sales (unless the retailer is a registered distributor; see subsection (f)).
- b) *The tax is not imposed upon any activity in the business as a distributor in interstate commerce or otherwise, to the extent to which that activity may not, under the Constitution and Statutes of the United States, be made the subject of taxation by this State.* (Section 10-10 of the Act) Sales of tobacco products delivered by a distributor to persons located outside of Illinois are exempt from the tax imposed by this Act.
- c) Sales of tobacco products to retailers who will deliver the tobacco products outside of Illinois are exempt.
- d) The tax imposed shall not apply to sales or other disposition of tobacco products to the United States Government or any entity thereof. For instance, sales of tobacco products to U.S. Veterans' Hospitals and U.S. Military personnel through officially recognized agencies physically located at military bases are exempt from the tax imposed by this Act.
- e) The tax imposed shall not apply to sales of tobacco products to penal institutions for use in a Correctional Industries program that makes, manufactures, or fabricates tobacco products for sale to residents incarcerated in penal institutions or resident patients of a State operated mental health facility. However, sales of tobacco products to a penal institution that will sell tobacco products through its commissary are taxable.
- f) Under certain circumstances, a blanket Certificate of Resale may be provided by a purchaser to a distributor. These circumstances include the following:
  - 1) Retailers who purchase tobacco products for delivery outside of Illinois are exempt under subsection (c) above. However, when such a retailer may deliver tobacco products outside of Illinois but may deliver some within Illinois and where it is impracticable, at the time of purchasing the tobacco products, for the retailer to determine in which way he or she will dispose of the tobacco products, the retailer may certify to the distributor that he or she is buying all of such

tobacco products for resale and provide a blanket Certificate of Resale to the distributor. A retailer may provide such a certificate only if he or she is registered as a distributor under the Act and agrees to assume responsibility for reporting and remitting tax on his or her taxable Illinois sales (e.g., sales to consumers or retailers).

- 2) Often times, a distributor registered under this Act will also sell tobacco products to consumers. This distributor may similarly find it impracticable, at the time of purchasing the tobacco products, to determine in which way he or she will dispose of the tobacco products. Consequently, the distributor may provide the selling distributor with a blanket Certificate of Resale and assume responsibility for reporting and remitting tax on his or her taxable sales to consumers.
- g) A distributor making an exempt sale of tobacco products shall document this exemption by obtaining a certification from the purchaser containing the distributor's name and address, the purchaser's name and address, the date of purchase, the purchaser's signature, the purchaser's tobacco products tax license number, if applicable, and a statement that the purchaser is purchasing for sale other than a sale at retail or is purchasing for delivery outside of Illinois or is assuming responsibility for reporting and remitting tax as provided for under subsection (f).